

CHAPTER 10

QUALITY ASSURANCE

Essential Questions

- ❖ What does quality assurance (QA) mean for my school?
- ❖ If my school is already involved in QA, what changes are necessary for Direct Loans?
- ❖ Is my school required to participate in QA?

General Information

You may know something about the current Quality Assurance Program (QAP) and wonder how the Direct Loan Quality Assurance System fits in. Quality assurance, a required component of the Direct Loan Program, is a proactive rather than a reactive management style and allows you to anticipate and solve problems before they become major.

Quality assurance is based on evaluation and improvement and can help you administer Direct Loans successfully.

- ❖ Schools use self-assessment instead of after-the-fact inspection to look at their procedures.
- ❖ Schools can take ongoing action to strengthen vulnerable areas.

Schools can identify and correct problems before they are discovered as institutional liabilities in audits and program reviews by using

- ❖ strategic planning
- ❖ employee involvement
- ❖ structured problem solving
- ❖ performance measures
- ❖ corrective action

Direct Loan schools are required to carry out only a qualitative self-assessment, which is a five-step process to evaluate a school's procedures.

- ❖ Step One: "Setting the Direction"—planning an overall strategy that will result in continuous school improvement
- ❖ Step Two: "Involving Staff"—establishing the appropriate team to conduct the review
- ❖ Step Three: "Assessing Operations"—beginning the problem-solving process
- ❖ Step Four: "Taking Action"—addressing problem areas
- ❖ Step Five: "Reviewing Progress"—evaluating results of previous steps
- ❖ These steps are progressive and interrelated. Each focuses on assuring effective stewardship of the Direct Loan Program and on providing students with excellent service.
- ❖ This approach is described in detail in the Department's *The Direct Loan Quality Assurance Planning Guide: Phase 1 (QA Planning Guide)*.

Management Worksheets

In addition to the *QA Planning Guide*, the Department has developed several worksheets to aid schools with the required evaluation.

- ❖ The "Management Assessment (MA) Worksheet," available in paper and on diskette, assesses financial aid operations. The worksheet helps schools evaluate practices that will affect the Direct Loan Program so schools can improve vulnerable areas.
- ❖ The MA Worksheet uses a series of questions in five categories to address Direct Loan Program administration. The five categories are
 - institutional participation
 - fiscal management
 - recipient eligibility

- award calculation and disbursement
- reporting and reconciliation
- ❖ Schools do not have to address all administrative areas in the MA Worksheet but can focus on the most problematic.
- ❖ Schools are not required to submit completed MA Worksheet to the Department.
- ❖ Schools may use an expanded version of the MA Worksheet to perform full-scale self-assessments of the Title IV programs.
- ❖ Schools may use the "Management Action Plan Worksheet," also available in paper and on diskette, for areas needing improvement. Schools will identify
 - actions to be taken
 - resources and personnel needed
 - timeframes to implement changes
- ❖ Schools do not have to submit the completed worksheet to the Department.

NOTE: You are not required to use the Management Action Plan Worksheet; you may develop your own tools to take action on problem areas. Consider discussing your approach with other Direct Loan schools or with QAP schools to obtain additional perspectives on how to proceed.

Progress Reports

Schools must report to the Department about their progress in developing a Direct Loan QA System.

- ❖ You must complete a brief status report, called the "Quality Assurance Mid-Year Progress Report," and submit it by January 15, 1997 to the Regional Account Management Staff in the region that services your school.
- ❖ You must also complete "The Quality Assurance Certification" and submit it by July 15, 1997 to the Regional Account Management Staff in the region that services your school. This report confirms to the Department that your school has completed its management assessment and is putting appropriate procedures in place.